

**ANNUAL COMMERCIAL REPORT**

**FY 2022 – 23 (April 2022 – March 2023)**

**(i) Democratic Republic of Congo**

**(ii) Gabon**

**(iii) Central African Republic**

**A. Import – Export Data for (FY 2022 – 2023)**

	India's imports (USD million)			India's Exports (USD million)		
	FY 2021-2022	FY 2022-2023	%Growth	FY 2021-2022	FY 2022-2023	%Growth
DRC	31.21	214.12	<b>586.07</b>	568.17	631.11	<b>11.08</b>
GABON	1,070.49	398.47	<b>(-) 62.78</b>	53.00	80.42	<b>51.75</b>
CAR	0.18	2.65	<b>1,351.34</b>	20.13	20.85	<b>3.60</b>

**B. Top 05 items imported by India (Apr-March 2023)****(i) Democratic Republic of Congo**

S. No	HS CODE	Commodity	Value (USD million)
01	27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES.	164.78
02	18	COCOA AND COCOA PREPARATIONS	29.29
03	76	ALUMINUM AND ARTICLES THEREOF	7.59

04	74	COPPER AND ARTICLES THEREOF	6.14
05	72	IRON AND STEEL	2.87

**(ii) Gabon**

<b>S. No</b>	<b>HS CODE</b>	<b>Commodity</b>	<b>Value (USD million)</b>
01	26	ORES, SLAG AND ASH	201.14
02	27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION, BITUMINOUS SUBSTANCES, MINERAL WAXES	106.07
03	44	WOOD AND ARTICLES OF WOOD, WOOD CHARCOAL	85.20
04	40	RUBBER AND ARTICLES THEREOF	3.33
05	78	LEAD ND ARTICLES THEREOF	1.85

**(iii) Central African Republic**

<b>S. No</b>	<b>HS CODE</b>	<b>Commodity</b>	<b>Value (USD million)</b>
01	52	COTTON	1.85
02	44	WOOD AND ARTICLES OF WOOD, WOOD CHARCOAL	0.81

**C. Top items of Indian Exports (April – March 2023)**

**(i) Democratic Republic of Congo**

<b>S. No</b>	<b>HS Code</b>	<b>Commodity</b>	<b>Value (USD million)</b>
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01	30	PHARMACEUTICAL PRODUCTS	149.49
02	87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF	135.02
03	63	OTHER MADE-UP TEXTILE ARTICLES, SETS, WORN CLOTHING AND WORN TEXTILE ARTICLES, RAGS	50.19
04	84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES, PARTS THEREOF	33.53
05	10	CEREALS	33.26
06	39	PLASTIC AND ARTICLES THEREOF	25.55
07	85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF, SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS AND PARTS	22.64
08	22	BEVERAGES, SPIRITS AND VINEGAR	21.40
09	73	ARTICLES OF IRON OR STEEL	15.21
10	19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK, PASTRYCOOKS PRODUCTS	13.77

**(ii) Gabon**

<b>S. No</b>	<b>HS Code</b>	<b>Commodity</b>	<b>Value (USD million)</b>
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01	84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES, PARTS THEREOF	17.56
02	02	MEAT AND EDIBLE MEAT OFFAL	13.15
03	39	PLASTIC AND ARTICLES THEREOF	6.72
04	73	ARTICLES OF IRON OR STEEL	4.59
05	85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF, SOUND RECODERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS AND PARTS	4.56
06	35	ALBUMINOIDAL SUBSTANCES, MODIFIED STARCHES, GLUES, ENZYMES	3.65
07	87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF	2.67
08	69	CERAMIC PRODUCTS	2.61
09	76	ALUMINUM AND ARTICLES THEREOF	2.31
10	48	PAPER AND PAPERBOARD, ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	2.29

**(iii) Central African Republic**

<b>S. No</b>	<b>HS Code</b>	<b>Commodity</b>	<b>Value (USD million)</b>
01	30	PHARMACEUTICAL PRODUCTS	7.63
02	63	OTHER MADE-UP TEXTILE ARTICLES; SETS; WORN	6.08

		CLOTHING AND WORN TEXTILE ARTICLES; RAGS	
03	10	CEREALS	1.22
04	38	MISCELLANEOUS CHEMICAL PRODUCTS	1.09
05	87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF	1.00

#### **D. Potential Indian Exports in the future**

##### **(i) Democratic Republic of Congo**

<b><u>S.No.</u></b>	<b><u>Commodity (HS Code)</u></b>	<b><u>Rationale</u></b>
<b><u>1</u></b>	Cereals (10)	DRC imports around \$70-80 million worth wheat (all from Russia and Ukraine). However, a negligible amount is imported from India. Similarly for around \$90 million worth rice import of DRC (over 60% from Thailand), India's share is only around \$25 million.
<b><u>2.</u></b>	Sugar (17)	DRC imports around USD 25 million worth of Sugar. Majority of this is sourced from Brazil and hence India has an immense scope to boost its exports here. Mission has identified the major importing companies and has requested APEDA for a trade delegation.  Varun Beverages Ltd. (One of the biggest franchises of PepsiCo) had announced investment of USD 100 million in DRC and will soon set up manufacturing units of Pepsi products in Maluku SEZ. Mission has

		requested them to source their sugar requirements from India.
<u>3.</u>	Pharmaceuticals (30)	<p>Although pharmaceutical exports have already reached around USD 164 million. There is still scope for improvement.</p> <p>Mission has been encouraging Indian <b>Pharmaceuticals companies</b> to invest in DRC to set up pharma manufacturing units for local consumption as well as export to nearby countries. In this regard, Ambassador met with the representatives of <b>La Santé</b> Pharmaceuticals (currently based in Gabon and imports APIs from India) to also set up manufacturing units in DRC.</p> <p>Recently, another Indian company <b>Unique Pharma</b> became one of the first few enterprises to sign a contract with DRC government to set up pharma manufacturing plant in Maluku SEZ. M/S Unique has also been requested to import most of its raw material from India.</p>
<u>4.</u>	Vehicles and parts (87)	India dominates the two-wheeler market in DRC, with almost 50% of import share. However, there is still scope for Indian companies especially in large vehicles, trucks etc. TATA and Mahindra have already invested in DRC. Mission has requested major Indian companies to source their needs of commercial vehicles from Indian companies mentioned above. In terms of 4-wheelers, currently Toyota is the dominant company.
<u>5.</u>	Defence exports	India's <b>defence export</b> to DRC is nil at present. Given the fact that Eastern Congo is the most unstable region in central-west Africa and MONUSCO (UN Peace-keeping force) withdrawal is imminent, there is an immense scope for India to boost its defence exports to DRC.

		<p>Military trucks and rifles may be the low-hanging fruits in this category. Ambassador and the political officer have met multiple authorities in DRC government, including Defence Minister, to discuss this.</p> <p>During the DefExpo 2022, the Defence Ministers of DR Congo and Central African Republic visited India and held bilateral meetings with Hon'ble Raksha Mantri of India.</p>
<p><b>6.</b></p>	<p>Machinery (84,85), Cement (25) and other construction material</p> <p><b>Upcoming projects in DR Congo funded</b></p>	<p>With respect to India's infrastructure projects in DRC, Mission has three major targets. The projects, besides generating immense goodwill among government and people alike, as they will provide electricity and jobs to locals, will also boost India's exports as 75% of the project value worth material are to be sourced from India.</p> <ol style="list-style-type: none"> <li>1. Relaunching the stalled <b>Katende HEP project</b> (LOC worth approx. \$250 million was signed in 2011.</li> <li>2. Launch of <b>Kinshasa Road Decongestion Project</b> (\$300 million project to decongest capital under buyers' credit mechanism). The project currently pending approval of COD.</li> <li>3. Signing of LOC agreement worth around \$223 million for <b>6 solar power plants</b>. Due to the efforts of Mission officials, DRC government sent a delegation consisting of Special advisor to the President to discuss signing of Exim Bank agreements in May 2022. Currently, the agreement is</li> </ol>



		pending signature of Ministry of Finance of DR Congo.
7.	Food Processing and Agricultural Machinery	Under the National Program for development of 145 territories of DRC, the host government is keen to have investments in Food Processing and Agricultural machinery sectors. The Government is particularly keen to have Indian investors to visit DRC and see the massive opportunities in the country in these sectors.

**(i) Gabon**

The above-mentioned products also have the potential to be exported to Gabon. However, due to the low population of Gabon (around 2 million), the potential remains comparatively low.

**(ii) Central African Republic**

Export/ Investment potential is limited due to political instability, low population and poor infrastructure.

**E. Potential Indian imports in the future**

**(i) Democratic Republic of Congo**

DR Congo is among the most mineral rich countries in the world. It is also among the Least Developed Countries (LDCs). Being an LDC, the country is eligible for India’s Duty-Free Tariff Preference Scheme (DFTPS), however, DRC is yet to send a Letter of Intent for the same, despite Mission’s numerous efforts. This could help India in sourcing critical minerals such as Cobalt, Copper, and 3T (Tin, Tungsten, and Tantalum) from DRC, which are currently largely exported to China.

Two major mining events are going to be organized in DR Congo in 2023.

- i) **DRC Mining Week Expo. & Conference:** 14-16 June, 2023 at Lubumbashi, Congo

ii) **DRC- Africa Battery metals forum:** 12-13 Sep, 2023 at Kinshasa, Congo

These events are the two biggest Mining and minerals related events in DR Congo, and will be a great opportunity for Indian businesses to interact with government officials, businesses, investors, traders etc working in the mining sector. Lubumbashi is also the mining capital of DR Congo. Some interested members of Indian participants/ businesses can also visit some mines owned by Indian businessmen in Lubumbashi and Kolwezi where most of mining of copper, cobalt, Lithium, 3Ts (tin, tungsten and tantalum) is going on.

Therefore, a large business delegation may be mobilized for attending these events.

**(iii) Gabon**

Gabon is one of the OPEC countries and could be a source for India's need for diversifying its energy demands. A consortium of Oil India and Indian Oil is already involved in exploration of oil in Gabon, however, so far oil hasn't been found.

**F. Bilateral Economic & Commercial developments in FY 2022-23**

**Democratic Republic of Congo**

**High-Level Visits**

October 2022	H.E. Mr. Gilbert Kabanda Kurhenga, the Minister of Defense and War Veterans	The Minister participated in the DefExpo 2022 (18-22 October 2022) and the 2 <sup>nd</sup> India Africa Defence Dialogue. His delegation also had the Chief of Air Force, Chief of Land Forces and the Secretary General of Ministry of Defence.
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		<p>Mr. Gilbert also had a bilateral meeting with Hon'ble Raksha Mantri of India, Shri Rajnath Singh.</p> <p><b>Note:</b> Given the security crisis in eastern DRC, and poor Defence infrastructure, there is a great potential to boost defence Exports to DRC, for which the latter currently relies on China, Russia, South Africa etc.</p> <p><b>Potential areas of focus:</b> Military trucks &amp; Vehicles, Small equipment such as binoculars, Radar and surveillance systems etc.</p>
January 2023 <b>(Virtual)</b>	H.E. Mr. Julien Paluku, Minister of Industry of DRC	<p>The Minister participated in the Virtual Voice of South Summit organized by MEA and CIM and chaired by Hon'ble Minister of Commerce, Shri Piyush Goyal.</p> <p>During his remarks, the minister congratulated India for organizing the virtual meeting and spoke on the Master Plan of Industrialization of DRC, estimated to cost around USD 58 billion and called for India's financial support for the same.</p>
January 29 – February 04	H.E. Mr. Nicolas Kazadi, Minister of Finance, along with Governor of Kasai Province, visited New Delhi to discuss Katende HEP and 6-Solar Photovoltaic projects	Meetings were held with Hon'ble Minister of Agriculture, MOS (VM), and Officials from RITES.

### **Other B-2-B/ Commercial Engagements**

### **(i) Visit of NPCI Team**

**In July 2022**, an NPCI team visited Kinshasa and held discussions with the representatives of BCC as well as with the Presidential Advisor on Digital matters. In **March 2023**, a virtual meeting was also organized by the Mission between the Central Bank of Congo (BCC) officials and the NPCI team. NPCI has invited the Congolese side to visit India a UPI workshop.

### **(ii) Visit of RITES delegation**

A two-member RITES delegation visited Kinshasa on **March 22 – 25** to discuss possible cooperation with DRC in Railways sector, particularly in supply of wagons and coaches, reviving non-functional projects etc. They held meetings with the Transport Minister on **March 24**.

### **(iv) Duty Free Tariff Preference Scheme**

Being an LDC country, DRC is eligible for India's DFTP. The matter is in advanced stage as DRC government has given in-principal approval for joining the scheme. The matter is currently pending with the Customs authority of DRC i.e. DGDA. This would allow Indian companies to import strategic minerals such as Copper, Cobalt, Nickel etc. at a cheaper price from DRC.

### **(v) Education Fair**

In **April 2022**, Mission organized Education Fair with participation of several Indian private universities' representatives such as Acharya University, Lovely Professional University, Sharda University etc, Officials from Congolese Education Ministry, and local Congolese students to encourage them to STUDY IN INDIA. Around 250 potential Congolese students participated in the event.

### **(vi) Buyer Seller meet**

Mission held a virtual Buyer-Seller meet on Wheat and Rice with participation from APEDA, FICCI, and over 40 Indian exporters of Rice, Sugar, and Plastic products on **November 21**.

## **INDIA'S DEVELOPMENT PARTNERSHIP**

## (i) Katende Project

Indian Government approved additional Line of Credit of \$180 million & grand of \$20 million for the completion of Katende project.

### GABON

#### High-Level Visits

19-21 June 2022	<p>(i) Minister of State, Minister of Industry H.E. Mr. Pacome Moubelet-Boubeya,</p> <p>(ii) Minister of Investment Promotion H.E. Mr. Hugues Mbadinga Madiya</p> <p>(iii) Deputy Minister of Foreign Affairs H.E. Ms Yolande Nyonda.</p> <p>The three Ministers visited India to attend the 17<sup>th</sup> CII Exim Bank Conclave</p> <p>The Minister of State, Minister of Industry of Gabon held bilateral meeting with Indian Minister of State for Trade and Industry. During the meeting, the two ministers discussed on diversification of trade basket.</p>	17 <sup>th</sup> CII-Exim Bank Conclave
18 – 22 October, 2022	Gabonese Minister of Defence <b>virtually</b> gave her remarks at DefExpo 2022. She called Defexpo a real opportunity for Gabon for South-South cooperation and stated that African countries and India must pool the capacities of their defence and security tools for a lasting peace.	DefExpo 2022

## **Other B-2-B/ Commercial Engagements**

### **(i) India – Gabon Business Forum (31<sup>st</sup> May, 2022)**

During the visit of Hon'ble Vice-President of India, Shri M. Venkaiah Naidu, a CII delegation also visited Libreville, Gabon. During the visit Mission organized several B2B meetings with Gabonese business people and B2G meetings with many Gabonese Ministers.

India-Gabon Business Forum, chaired by Vice-President, was also organized on **May 31** with participation from CII-delegation, Gabonese Ministers, ANPI, Gabonese Chamber of Commerce and several Gabonese and Indian businessmen.

During the visit, CII signed two MOUs with ANPI (investment promotion body of Gabon) and the Gabonese Chamber of Commerce.

### **(ii) India Gabon Business Council launched**

On **August 24**, the Indian Economic and Trade Organization and the Gabonese Embassy in India launched the India-Gabon Business Council in New Delhi to accelerate the bilateral trade relations.

## **CENTRAL AFRICAN REPUBLIC**

No Major Bilateral Commercial developments in FY 2022-23

## **G. ECONOMIC & COMMERCIAL DEVELOPMENTS IN HOST COUNTRY**

### **DEMOCRATIC REPUBLIC OF CONGO**

#### **MACRO-ECONOMIC INDICATORS**

- Despite strong macro-economic indicators, DRC faced serious shortages of fuel and food (especially wheat) during the months of **April and May 2022**, owing to Ukraine crisis. In order to control domestic fuel prices,

Government promised the oil companies to provide USD 400 million subsidy. Fuel shortages aggravated once again in September 2022, as government failed to fulfil its promise.

- According to the General Directorate of **Public Debt** (DGDP), the public debt of DRC has crossed USD 10 billion in the 3<sup>rd</sup> quarter of 2022, with approximately USD 5 billion each in domestic debt and foreign debt.
- On **October 07**, a World Bank lamented that despite strong GDP growth rates, poverty rates in DRC was around 63%.
- On **November 21**, IMF lauded DRC, following the 3<sup>rd</sup> review of Government Economic Program (PEG), for its higher than expected growth of DRC in 2022, estimated at 6.6%, surplus current account, Forex reserves worth 2 months of imports, and committed to disburse USD 200 million aid to DRC in the coming months.
- PM Sama Lukonde officially presented the Budget 2023 to the Parliament on **October 28**. The total budget for 2023 was USD 14.6 billion (32% more than 2022 budget), of which 18.6% is dedicated to Education sector, 10% to health, 10% to agriculture and another 10.6% to defence. On **December 03**, The National Assembly revised the Congolese Budget for 2023 to USD 15.8 billion.
- Ministry of Finance published a report of the macro-economic indicators of DR Congo on March 22, 2023. The report stated that the **GDP growth of DRC in 2022 was 8.5%**, IMF and World Bank estimates of around 6.6%. The debt to GDP ratio stood at around 17%, among the lowest in the region. The Forex reserves of DRC were around \$4.2 billion.

#### **FINANCIAL AID/ DISBURSEMENTS BY COUNTRIES/ FINANCIAL INSTITUTIONS**

- On **June 28**, DRC and World Bank signed two financing agreements worth USD 750 million for economic governance reforms (\$250m) and Connectivity and Transport Support project (PAT) (\$500m).

- On **July 01**, IMF authorized disbursement of USD 203 Million to DRC, third such disbursement under the Extended Credit Facility, after completing the annual review. Following this, **World Bank** also announced grant of \$250 Million to DRC, 17 years after the last such financial support.
- On **August 18**, African Development Bank announced disbursement of USD 250 million for construction of DRC-Angola corridor, passing through Mbuji-Mayi and Kananga in Kasai Oriental and Kasai Central.
- On **October 17**, DRC government concluded a financing agreement of \$4 billion with the South Korean Consortium KCD Global & GLF Foundation for a project on improvement rural habitat in DRC during the period from 2022 - 2032.
- On **February 06**, World Bank committed to disburse **\$300 million for the** "Transform" entrepreneurship project of DR Congo, which is expected to start from March 2023.

## **MINING/ MINERALS RELATED DEVELOPMENTS**

DRC is among the most mineral-rich countries of the world, with its mineral wealth estimated to be worth USD 24 trillion! It boasts of 70% of all cobalt reserves, and huge quantities of Copper, Coltan, Tungsten, Tin, Tantalum, Gold, Diamond, Oil and Gas.

- On **May 31**, the General Inspectorate of Finance (IGF), in its report pointed out irregularities in the functioning of Gécamines (state owned mining company), leading to loss of hundreds of millions of dollars between 2010-2020.
- On **July 28**, DRC Government launched first phase of biddings for 27 Oil blocks and 3 Gas blocks (in Lake Kivu) in the three main sedimentary



basins of the DRC, namely: the Coastal Basin, the Central Cuvette Basin and the West Branch of the East African Rift. These blocks have estimated **22 billion barrels of oil** and **66 billions of methane gas**. International NGOs such as Greenpeace expressed concerns over the potential environmental impact.

On **January 18**, the Government announced **awarding of 3 Gas blocks** to: Symbion Power & Red (USA), Winds Exploration and Production LLC (USA), and Alfajiri Energy Corporation (Canada), and extended the deadline for 27 Oil blocks, staggered between April and October 2023.

- According to BCC on December 01, the **DRC's exports of mining and hydrocarbon products** was USD 22 billion in 2022, an increase of 61.2%, compared to 2021. It also stated that DRC produced 8.4 million barrels of oil in 2022.
- According to the report of the UN Group of Experts, the rebel groups CO-DECO and Zaire control 59 mining sites in the province of Ituri alone (mostly gold mines).
- The Joint venture between UAE and DRC, **Primera Gold DRC**, made its first shipment of Gold to UAE on January 13. The idea behind the joint venture is to collect gold from artisanal miners and to bring it in international market, thereby preventing smuggling and providing better working conditions for the mining workers. The company aims to export more than 15 tons of gold every year.
- DRC **exported USD 146 million worth of diamonds** in 2022, with 96% going to UAE and Belgium, as per the report published by BCC on February 13.
- The owner of the Canadian mining firm Ivanhoe Mines stated on February 09, that they are looking for new investors in the Kamua-Kakola Copper mine (4<sup>th</sup> largest Copper mine of the world), owned jointly by Ivanhoe and Chinese partner Zijin Mining, to achieve USD 3 billion investment in the mine by 2024.

- According to United States Geological Survey estimates on March 16, DRC was the **2<sup>nd</sup> largest copper producer** in 2022, with estimated 2.2 million tons of production.

### **Other developments**

- On **April 08**, during the 48<sup>th</sup> meeting of the Council of Ministers, the government adopted a draft decree for creating a public institution called GUIPEC, to as a single window for granting building permits in DRC.
- On **April 08**, the Minister of Environment decided to set up a Ministerial Commission to review all forest concession contracts in DRC, following the report of the IGF stating that forest concessions were being given in DRC, contrary to the moratorium on new concessions as well as the forest code of 2002.
- On **September 19**, DRC Government signed an agreement with ARISE IIP (UAE based), owned by an Indian, Gagan Gupta, for creation of a Special Economic Zone Kin-Malebo. The SEZ inauguration is expected to be in August/September 2023.
- On **October 21**, DRC has placed in the **Grey list by the FATF** during the first plenary held under Singapore's Presidency. This was for its shortcomings such as having weak framework to combat money laundering and terror financing. FATF granted DRC time up to May 2025 to strengthen its framework, failing which it could be blacklisted.
- The construction work of the deep-water port of Banana in Kongo-Central province was officially launched on **November 10**.
- On **February 05**, the Minister of Industry announced his plan to create a special fund for SEZs worth \$1.9 billion.

### **GABONESE REPUBLIC**

Two major programs of the Gabonese government for development are **PAT (Plan for Acceleration of the Transformation)** and **Emerging Gabon Strategic Plan (PSGE)**. Details attached as Annexure – I.

### **Macro – Economic Indicators**

- The **GDP growth** of Gabon in 2022, as per World Bank estimates, was 3.1%, compared to 1.5% in 2021 and -1.8% in 2022.
- **Public debt** has reduced in 2022, representing 52% of GDP, compared to the 60.7% recorded in 2021. According to the Debt Sustainability Analysis published by the IMF in July 2022, the public debt is considered sustainable, and the risks have diminished. In addition, the **budget balance** has turned into a surplus, at 3% of GDP for 2022, after a deficit of 1.9 % in 2021.
- Total **trade** of Gabon in 2021 was around USD 8 billion, with total exports being \$5.94 billion and imports being \$2.14 billion. Oil (67%), Wood (15%), and Manganese (10%) dominate exports of Gabon. China accounted for over 33% of total Gabonese exports, whereas India was the 2<sup>nd</sup> biggest export destination of Gabonese products (14%). *Data for 2022 is not yet available.*
- National Assembly adopted the Budget 2023 for Gabon on **November 23**, which saw an increase of over 300 billion FCFA (approx. USD 475 million) to reach 3,602 billion FCFA i.e. approximately \$5.7 billion.
- In a report published on **December 09** by the World Bank, it stated that despite being abundant in natural resources, Gabon is struggling to reduce the poverty at the rate of its economic growth. The report also stated that around **one-third of the population** lives below the poverty line of USD 5.5 dollars/ day, despite the per capita GDP of \$8,859.

**CENTRAL AFRICAN REPUBLIC**

CAR is among the poorest nations of the world and ranks 188<sup>th</sup> out of 189 countries on Human Development Index. Over 70% of its 6 million population live below the **poverty line**. Even the capital Bangui, suffers from a dire lack of basic infrastructure including electricity, water, roads, internet connectivity etc.

As on 2022, the **GDP of CAR** is approximately USD 2.5 billion, and the GDP per capita of around USD 520, one of the lowest in the world.

### **Recent Data on GDP Growth**

S.No.	Year	GDP Growth
1.	2020	0.9%
2.	2021	0.9%
3.	2022	3.5%

Inflation remains on the higher side at around 6%, whereas the **public debt** of CAR is currently around 45% of the GDP. Overall, CAR's economy is critically dependent on export of certain raw materials such as diamond, timber, gold, coffee, etc. and on the international aid. It is also a member of Economic and Monetary Community of Central Africa (**CEMAC**).

On **September 01**, the National Assembly adopted an amended budget bill for 2022, in which the budget was reduced from \$514 million to **\$392 million**, of which \$187 million is expected to come from national resources and \$205 million from external resources.

The Minister of Finance and Budget recalled that the national budget had suffered from the increase in the price of petroleum and food products, the coronavirus (COVID-19) pandemic and the decrease in international financial support.

With respect to the **trade**, CAR's total import and export were around USD 290 million and USD 127 million respectively in 2021-22. Its biggest trading partners are France, China, USA, India, Belgium, DRC, Burundi etc.

### **(a) Bitcoin in CAR**

- On **April 27**, CAR adopted Bitcoin as its official currency, besides CFA Franc, after a law on the same was passed by the Parliament and promulgated by the President. On **July 03** the Government launched **Sango** coin digital currency.
- On **July 03**, The Central African Republic (CAR) launched its new government-backed 'Sango crypto hub' initiative to foster the development of the local digital asset sector.
- During the extraordinary session of **July 21**, in Douala, of CEMAC, which brought together Cameroon, the Central African Republic, Congo, Gabon, Equatorial Guinea and Chad , the participants had noted an incompatibility between certain provisions of Central African law and statutes of BEAC (regional Central Bank).
- On **August 29**, the Constitutional Court declared several provisions of the Sango project unconstitutional, including the proposed sale of Central African nationality, electronic residency and national land and resources through Sango Coin.
- The first round of sale of Sango Coins took place between July – October, 2022. However, the project could raise only around \$1.6 million. The 2<sup>nd</sup> round, which started in **December 2022** was also postponed due to various issues.

On **March 15**, the CAR announced a modified text of the bill on cryptocurrencies. Compared to previous text, the bill removes the obligation to accept

bitcoin as means of payment. The bill also talks about creation of a new regulatory authority for Cryptocurrencies. However, it doesn't address the issue of convertibility between CFA and Cryptos.

**F. Trade Queries for Imports/Exports for the month of March 2023 (if not uploaded on the Indian Trade portal)**

<b>S.No.</b>	<b>Month</b>	<b>Commercial queries responded</b>
1.	April 2022	47 commercial queries answered
2.	May 2022	25 commercial queries answered
3.	June 2022	66 commercial queries answered
4.	July 2022	70 commercial queries answered
5.	August 2022	49 commercial queries answered
6.	September 2022	46 commercial queries answered
7.	October 2022	61 commercial queries answered
8.	November 2022	52 commercial queries answered
9.	December 2022	62 commercial queries answered
10.	January 2023	79 commercial queries answered
11.	February 2023	64 commercial queries answered
12.	March 2023	86 commercial queries answered
<b>Total</b>		<b>707 commercial queries answered</b>

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## Annexure – I

### PAT (Plan for Acceleration of the Transformation)

Gabon's development strategy for the period 2021-2023, it was launched by the Gabonese Government on January 18, 2021, in Libreville.

This plan aims, according to the government, to hasten the transition to the post-oil era, by accelerating the new engines of growth and by rethinking the social model of the country, hence its baptismal name: Plan for the acceleration of the transformation. 2021-2023.

**Some of the major objectives**, which the Govt. seeks to achieve, by 2025, under this plan are: (1) To reduce the **weight of the oil sector** in GDP below 20% (2) 50% of **food consumption** must be produced locally (3) Reduce the percentage of the population living below the **poverty line** to less than 25% of the population, against 35% today

The most pessimistic scenarios estimate that in 2030, Gabon's oil production will be around 100,000 barrels per day against 218,000 today. If the share of oil in the economy is to be reduced, Gabon seeks to achieve that by increasing the contribution of other sectors, while maintaining the current contribution of the oil sector as much as possible, despite their aging fields.

Apart from oil, Government has also planned for accelerating the development of manganese and laying down the conditions for the exploitation of gold and iron in Gabon. Gabonese mining operators, according to the head of government, plan to increase **annual manganese production** from around 7 million tonnes today to 10.3 million tonnes per year in 2023, or even 12 million tonnes in 2025.

The success of this plan will also go through the improvement of productivity and the diversification of outlets in the **timber sector**, the development of agro-industrial export sectors and the strengthening of food sovereignty, the recovery of the construction sector, through a takeover of the production of building materials, to lower the cost of inputs and maximize the local added value in this sector. To achieve this, it will be necessary to improve the business climate and improve the management of public finances, indicated the head of government. The 2021-2023 transformation acceleration plan is in line with the Emerging Gabon 2025 strategic plan, which is an economic reform program, the objective of which is to modernize the Gabonese economy,

### Emerging Gabon Strategic Plan (PSGE)

**Emerging Gabon Strategic Plan** (Plan Strategique Gabon Emergent, PSGE) was launched in 2009, with the aim to achieve ‘emerging market’ status for Gabon by 2025. The country hopes to expand activity outside of its core area of commodities production to foster growth in secondary and tertiary segments. The PSGE relies on three pillars – **Industrial Gabon, Services Gabon and Green Gabon** – which seek to channel investment into related sectors, including manufacturing, telecoms and agriculture.

The **Green Gabon** component focuses on developing value-added industries in the wood, agriculture and tourism sectors. Gabon has also aimed for producing 100% of its energy from non-fossil sources by 2030.

Meanwhile, **Industrial Gabon** concentrates on adding value to Gabon’s under-exploited mineral and hydrocarbons resources by developing the capacity for increased in-country processing.

Finally, **Services Gabon** targets education and the development of research and innovation industries in health, finance and other services. Massive state-led infrastructure investment – with the IMF estimating the total spending envelope for the associated projects at \$12bn – serves as the enabling platform for these three pillars